

Statement of
U.S. Representative Edward J. Markey (D-MA)
Ranking Democrat, House Subcommittee on
Telecommunications and the Internet
Hearing on "Digital Dividends" legislation
November 19, 2003

Good Morning. I want to thank the Chairman for holding this hearing this morning on proposals to harness spectrum auction assets and put them to use for the digital future of our citizenry and our economy. I also want to thank our witnesses for their time this morning and their expertise on these issues.

Mr. Chairman, when the Federal Communications Commission decides to proceed with auctions as a means of granting licenses to the public's airwaves, I believe that the public deserves to reap the benefits. These benefits should manifest themselves not only in the more rapid offering of new, competitive commercial wireless services or the deployment of technological innovations, but also in the "dividends" that can be reaped by re-investing the auction money wisely. The legislation I have introduced, the "Spectrum Commons and Digital Dividends Act" (HR 1396), proposes taking auction revenue and creating a permanent trust fund in order to fund grants for public interest telecommunications and educational technology initiatives. I believe harnessing this resource and re-investing it for such initiatives will be vital to our national economic security, our homeland security, and for leaving to the next generation the cultural and educational assets of our great country in an accessible digital form.

Economic Security

The United States is now in a post-NAFTA, post-GATT world of fiercely competitive global markets, where a knowledge-based economy is the clear future for our country. Whether it is the training of teachers, retraining workers, supporting after-school computer literacy programs, or other educational technology initiatives, we have to ensure that our future workers have the 'skill-set' necessary to compete for, and create, the jobs America needs in order to succeed in the new global economic environment.

Homeland Security

Moreover, in a post-September 11th world, our homeland security is tied to an educated and prepared military. After 9/11, we live in a world where local first-responders and national law enforcement now have the task and must have the capability to fight sophisticated terrorists. In addition, our country will need its best minds to develop high-tech tools to screen airliners, to test for biological or chemical toxins in the air, or to thwart the designs of any cyber-thugs who threaten our key infrastructure.

Civic, Cultural, and Educational Legacy

Our nation's libraries, museums, universities are great repositories of information and possess the tremendous wealth of our cultural heritage. These treasures can and ought to be digitized in a way that makes them accessible to all our citizens, both online and over-

the-air using our national public broadcasting system. This will help to ensure we have an informed and skilled citizenry for our civic institutions. Putting these great educational resources at the heart of the technological transformation our society is undergoing will strengthen our democracy in fundamental ways.

For all of these reasons, I believe we must rise to the challenge of funding advanced research and development for education and technology training in a way that reflects the urgent need to do so and the current, inadequate resources being put to these efforts. Telecommunications technology has an awesome *potential* to affect change positively by driving economic growth, preparing our citizens for the tough challenges ahead, and enriching our democracy. Yet without a plan, it will remain just that – merely the “potential” and “promise” but not the reality. That’s why I believe we ought to re-invest the auction resources we obtain from winning bidders to the public’s airways. A permanent trust fund built from these funds will go a long way in meeting the need and that is what my legislation is designed and intended to do. I want to commend Mr. Newt Minow for his stellar work in this area, along with Mr. Larry Grossman who has also testified before us. I look forward to hearing his testimony today, along with that of Dr. Eamon Kelly and Mr. James Welbourne, in support of legislating such a trust.

In conclusion, allow me to also mention that I strongly support the Telecommunications Development Fund, which was spearheaded by Rep. Ed Towns, and which I helped put into law in the Telecommunications Act. It is a program which creatively takes revenue from auction deposits – before an auction is fully concluded – and puts it to good use as seed money for small entrepreneurial companies. I commend Ms Ginger Lew for her work.

Again, I thank the Chairman for calling this hearing and look forward to working with him and the rest of our Committee colleagues next session on this and other telecommunications initiatives of importance to the country.

#